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SIPDIS

EUR/CE - ERIC GAUDIOSI

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SUBJECT: BULGARIA'S PARLIAMENT: FUMBLING AT THE FINISH LINE

Classified By: Charge Alex Karagiannis for reasons 1.4 (b) and (d).

11. (C) Summary: With less than 20 working days left before June 7 European Parliamentary and expected national elections in early July), Bulgarian MPs are scrambling to clear a pile of long-stalled legislation. A scrum has developed over the key law regulating national elections, which has delayed announcement of the election date. The President and Prime Minister and parties are each maneuvering for position to protect their interests; their loyalists and the other parties are throwing some elbows as they fight for traction. Political maneuvering is also holding up, watering down, or shelving other important legislation, including defense and judicial sector reform and anti-corruption measures. As the political atmosphere gets hotter in parliament's last weeks and MP's focus on electoral survival, the horse-trading, log-rolling, and hostage-taking on legislation bills will get more intense, with a predictable impact on their quality. End Summary.

12. (C) For several months, Parliament has thrashed around to pass a new election law to govern parliamentary voting. Originally intended to be submitted in October 2008, the government now hopes to pass a bill before Orthodox Easter (April 19). A contentious debate within the ruling Socialist party has held up progress as President Parvanov and PM Stanishev have staked on opposing stands. Parvanov has pushed to change Bulgaria's proportional parliamentary system to a "mixed" system in which 31 of the 240 seats are voted on a majority basis. This would raise his profile as a player in post-election coalition negotiations and within the Socialist party at Stanishev's expense. (He has even threatened to hold a referendum on the issue if Parliament does not approve it, provoking a rejoinder by the PM). Simultaneously, the parties have fought over whether to increase the threshold for individual parties and (a higher percentage) for coalitions, which would effectively hurt the weak and divided traditional center right parties. An emergency session has been set for Monday, April 13 to resolve the matter. Parvanov has set July 5 as his preferred election date, but this is not yet resolved. June 7 has been set for the European Parliamentary elections, under a different set of elections rules. Though not a clear barometer for national elections, a poor showing in June bodes ill for a fast turnaround.

13. (C) Meanwhile, Parliament has passed watered down legislation that increased fines and jail terms for vote buying and required parties to put labels on campaign material warning that vote buying is a crime. But the Socialists and junior coalition partner MRF blocked more serious measures -- party financing transparency, regional vote counting centers (to reduce possibilities to manipulate the actual vote count) and a specialized oversight body to inspect campaign expenditures. Overall, some positive steps but well short of a clear score.

14. (C) With attention swirling on electoral laws, other major bills have foundered, been delayed or been outright

fumbled.

-- Defense and Armed Forces Act: It aims at sweeping military reform, including mandatory retirement ages (removing old-guard generals) and integration of the MOD and General Staff. The bill's huge size (360 articles, only about 60 reviewed so far) and more Presidential-PM arms wrestling have slowed the process. It's a race against time; if it passes, it will be an ill-considered rushed job.

-- Judicial Systems Act: in plenary for final review. A tough floor fight is expected over competencies to conduct investigations between the police and investigating magistrates, who are part of the judiciary.

-- Conflict of Interest Act: Went into force on March 31, but the deadline for the MPs to submit a declaration of compliance was extended to June 30, after parliament closes, effectively exempting the current MPs. The Act's language is broad and subject to wide interpretation. Overall, basically positive, but undermined by delay.

-- Money Laundering Act: In force since March 27, cosmetic changes only, no practical effect.

-- Public Procurement Act: In force since April 3. The Public Procurement Agency was intended to review public tenders to provide dual control along with the ministries. But in negotiations the Agency's scope was limited to only very large contracts (lack of Procurement Agency capacity was cited as the main reason). The law has limited

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effectiveness over what it does cover, and does not go nearly far enough.

-- Electronic Communications Law/IPR: very technical provisions on data and personal privacy. It has been repeatedly rejected in first readings as the Interior Ministry fails to push changes that allow Internet surveillance. Heated debates continue. The internet provisions are of keen interest to US business over IPR internet piracy.

-- Asset Forfeiture Act: Rejected in first reading, it will be shelved until the next parliament. A lost chance to add capacity to law enforcement to break criminal enterprises.

15. (C) Comment: In its last days, Parliament is churning out watered-down, sloppy and politically expedient legislation. After achieving some genuinely landmark legislation in its prior four years, the parliament is, sadly, ending in political theater where drama and farce compete for attention.

Karagiannis